



FISCAL UPDATE News Article

Fiscal Services Division

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ISSUE REVIEW: IOWA'S MODIFIED BIENNIAL BUDGET PROCESS

Recently Published. The Fiscal Services Division of the LSA recently published an *Issue Review* entitled [Iowa's Modified Biennial Budget Process](#). The *Issue Review* examines Iowa's modified biennial budget process initiated during the 2011 Legislative Session. The *Issue Review* looks at Iowa's last three biennial budget cycles and the budget adjustments that have been enacted. The *Issue Review* also includes information from numerous reports and studies regarding the budgeting practices in other states, as well as a brief explanation of the advantages and disadvantages of biennial budgeting.

Modified Biennial Budget. Iowa's modified biennial budget consists of a complete budget enacted for the first fiscal year of the biennium and a partial budget for the second year. For year two of the biennium, State agency operating budgets are generally funded at 50.0% of the previous year's level. Programs that provide funding for local property tax replacement, the Medicaid program, and State School Aid are usually fully funded at 100.0% or more of the previous year's level, although this can vary.

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